

***Testimony before the Appropriations and Human Services Committees
Kathleen M. Brennan, Deputy Commissioner
August 31, 2016***

Good morning, Senators Bye and Moore, Representatives Walker and Abercrombie and distinguished members of the Human Services and Appropriations Committees. My name is Kathleen M. Brennan and I am a Deputy Commissioner at the Department of Social Services (DSS). I am here before you to seek your approval of the Governor's FFY 17 allocation plan for the Social Services Block Grant (SSBG) and the Community Services Block Grant (CSBG).

Social Services Block Grant

The FFY 2017 SSBG allocation plan provides funding for services in 13 of 29 federally defined service categories. Such services include the following: case management, counseling, family planning services, home-based services, independent and transitional living services, employment, information and referral, legal services, protective services for adults, substance abuse, home delivered meals and special services for persons with developmental or physical disabilities.

For FFY 2016, the SSBG was funded at a national level of \$1.6 billion. Connecticut's FFY 2016 SSBG block grant award amount totaled \$17,772,025. The FFY 2017 allocation plan estimates that SSBG funding for Connecticut will be level funded at this same amount. FFY 2016 estimated expenditures include delayed funding from FFY 2015 and FFY 2015 carryforward funding, which resulted in an artificial inflation of funding in FFY 2016. Allocations for FFY 2017 represent the base estimated annual amount, except for Home-Based Services, which is projected to increase by 4%.

The FFY 2017 allocation plan includes the addition of a line item, Special Services for Persons with Developmental or Physical Disabilities, totaling \$63,264. These services were previously provided under Home-Based Services and are broken out separately in this year's allocation plan to better reflect services delivered to customers.

It is not uncommon for federal funding levels to not be settled before October 1, the beginning of the federal fiscal year. The final FFY 2016 SSBG allocation was not known until November 2, 2015. In the event that the actual SSBG dollars awarded to Connecticut vary from the total allocation of the SSBG plan before you, the Department will proportionately revise the allocations. For example, if the final SSBG allocation is reduced by sequestration, each funding stream in the plan will be impacted by the identified sequestration percentage. If additional funds become available, they will be carried forward into FFY 2018 to ensure ongoing programmatic coverage and to mitigate any future federal reductions in FFY 2018.

The SSBG plan also includes \$26,678,810 that will be transferred from the Temporary Assistance for Needy Families (TANF) Block Grant. Federal law allows states to transfer up to ten percent of the Temporary Assistance for Needy Families (TANF) Block Grant to SSBG. The transfer of TANF Block Grant funds to the SSBG is reflected in the department's budget, as approved by the General Assembly. These funds must be appropriated to grantees that operate programs providing services to children and their families. The bulk of these funds are to be used to provide services for child care, children's residential services, housing services, independent and transitional living, emergency shelters, and the human services infrastructure. A list of the specific programs, amounts transferred from TANF for those programs, and the appropriate SSBG service category are included in the plan on page 7.

The Department also allocates SSBG and TANF funds for the previously mentioned services to other state agencies, such as Department of Mental Health and Addiction Services (DMHAS), Department of Children and Families (DCF), Department of Rehabilitation Services (DORS), Department of Housing (DOH), State Department on Aging (SDA), Department of Labor (DOL), Office of Early Childhood (OEC), and the Office of Protection and Advocacy (OPA). SSBG funds are utilized by these state agencies to support a variety of social services programs.

In accordance with the approved FFY 16 Social Services Block Grant Allocation Plan, DSS, in collaboration with the Office of Policy and Management, moved forward with a multi-year state plan to competitively procure the following service categories; Case Management, Counseling Services, Family Planning and Legal Services. Contracts were awarded and services are being provided.

Community Services Block Grant

During FFY 2016, the Community Services Block Grant was funded at a national level of \$693.6 million, which included a 6% one-time increase. Although the federal budget has not been finalized, we anticipate that CSBG will be funded at the FFY 2016 level, less the one-time increase and have prepared this year's allocation plan based on level funding in the amount on \$8,077,366, which is equal to the state's final FFY 2016 allocation and an estimated \$1,737,087 in carryforward funding from the previous year. While it appears from Table D on page 13 that some entities are receiving decreases in funding, FFY 16 expenditures include delayed funding from FFY 15 as well as one-time expenditures, which resulted in an artificial inflation of funding numbers in FFY 16. Allocations for FFY 17 represent the base amounts that entities should be receiving pursuant to the statutorily required formula.

In the event that actual funding is either increased or reduced, federal law specifies the proportion of funds to be allocated to Community Action Agencies (CAAs), discretionary programs, and administration. Should significant federal funding reductions occur, the Department, with input from the Connecticut Association for Community Action (CAFCA) and the CAAs, will develop a process to determine priorities for reducing the allocations. If additional funds become available, they will be carried forward into FFY 2018 to ensure ongoing programmatic coverage and to mitigate any future federal reductions in FFY 2018.

CSBG is the core funding source for the state's CAA network. The CAAs help low-income people to become self-sufficient, improve living conditions, and have a stake in their community. Working in partnership with other service providers, businesses, faith-based organizations and the advocacy community, CAAs strengthen families and their environments to help low-income people lead more secure lives.

The plan allocates 90% of the 2017 federal block grant to the CAAs and CAFCA. States are allowed, per federal regulations, to use up to 5% of the annual CSBG award to cover administrative costs with another 5% for discretionary purposes. DSS will follow CSBG guidelines and use 5% for administrative costs, which includes salaries, fringes, and overhead, as well as other expenses supporting the State's administrative, oversight, and monitoring role and 5% for discretionary purposes. Discretionary funds may be used for training, technical assistance, compliance monitoring, and special initiatives to strengthen the CAA network. The plan designates the use of the administration funds to support the funding of three DSS staff who are dedicated to the CSBG program to ensure that CSBG contractor monitoring and federal requirements are being followed as directed by U.S. Department of Health and Human Services (HHS).

Over the last several years, the federal HHS/OCS office and the CSBG Network – comprised of CSBG eligible entities, state CSBG Lead Agencies, state Community Action Agency Associations, national partners, and others – have collaborated to create a new Performance Management Framework for CSBG. This Framework includes:

- Organizational Standards for CSBG eligible entities;
- Federal and State Accountability Measures; and
- Results Oriented Management and Accountability (ROMA).

These elements are designed to increase effectiveness and accountability across the CSBG Network (federal, state, and local) and generate more robust results for the people and communities we serve. Many CT CAAs are recognized for their best practice activities, and DSS would like to capitalize on this momentum that will ultimately benefit Connecticut's citizens. For example, in FY 2015, for every \$1 of CSBG, the CT CAA network leveraged \$10.06 from state, local and private sources, including the value of volunteer hours.

Bristol Community Organization, Inc. (BCO) and Human Resources Agency of New Britain, Inc. (HRA) has advised the Department of their intent to merge together with the completion of the merger expected no later than September 30, 2016. Although we are confident that the merger will be successful, this plan (Table D) continues to identify both entities separately as they each exist as of the date of this allocation plan's publication.

On September 25, 2015, based on the results of a competitive procurement, the Department awarded Norwalk Housing Foundation (NHF) the right to negotiate a contract to serve as the CAA for the Greater Norwalk catchment area. NHF and Department staff are currently engaged in contract negotiations.

If NHF does not wish to pursue this designation or a fully executed and approved contract is not in place by December 15, 2016, then DSS will immediately proceed with the realignment of the towns within the Greater Norwalk catchment area among the two contiguous CAAs:

- Action For Bridgeport Community Development, Inc. (ABCD) will serve Norwalk and Westport
- Community Action Agency of Western Connecticut, Inc. (CAAWC) will serve Wilton, Weston and New Canaan

At DSS, we continue to work closely with the CAAs to blend the federal CSBG and state Human Services Infrastructure (HSI) funding to maximize CAA resources in these challenging fiscal times. This unique partnership represents a real commitment to improve Connecticut's human service delivery system and ensure a more consistent experience for providers and clients. The framework of this system is a "one-stop" model of human service delivery called HSI, a system that enables the CAAs to work as a single services network, and to report on the outcomes of services and document the progress of low-income people towards self-sufficiency.

Thank you and we respectfully request that you act favorably on the FFY 17 CSBG allocation plan, and the FFY 17 SSBG allocation plan. My staff and I are available should you have any questions.